

WASHINGTON D.C. – Later today, the House is expected to pass a H.R. 4899, the War Supplemental Appropriations Act. Tucked away in this war funding bill is a provision to provide the Financial Crisis Inquiry Commission (FCIC) with a 22-percent funding increase (\$1.8 million). In light of this additional funding provision that came at the request of the FCIC, Rep. Darrell Issa, the Ranking Member of the Oversight and Government Reform Committee, [sent a letter today](#) to FCIC Chairman Phil Angelides requesting “information that will help the public understand whether any additional expenditure of taxpayer money on the FCIC is warranted.”

“I am concerned that the FCIC’s own problems with financial mismanagement and partisanship may have resulted in a waste of taxpayer funds that does not warrant an additional appropriation,” Issa wrote. “In addition to potential financial mismanagement, it appears that commissioners and staff of the FCIC may have conflicts of interest created by their previous roles in the public and private sectors which may interfere with the Commission’s ability to conduct a thorough and even-handed investigation.”

According to the FCIC's records, it had spent just \$1.4 million on staff salaries as of March 31, 2010, a fraction of its \$8 million budget. At least twelve FCIC staff members are on loan from other federal agencies, meaning their salaries are paid not by the FCIC but by their parent agencies. Additionally, both Commissioner Byron Georgiou and investigator Christopher Seefer are employed by Robbins Geller Rudman & Dowd, a major plaintiffs' law firm which has been active in suing many of the companies currently under FCIC investigation. Another staff member, Bart Dzivi, reported to be Special Counsel to the FCIC (although he inexplicably does not appear on the commission's official staff list) has his own law firm specializing in financial services litigation.

"While I recognize the need to assemble a staff with expertise in financial markets will naturally lead to hiring individuals with a wide range of experiences, it is also critical to prevent conflicts of interest which inappropriately influenced the FCIC's investigation," Issa wrote. "The American people have a right to know how the FCIC has exhausted its \$8 million budget so quickly and whether it has conducted fair and bipartisan investigation into root causes of the financial crisis before Congress agrees to provide it with an additional \$1.8 million of taxpayer funds."

According to reports, many FCIC staff members have long-standing ties to many of the private companies currently under investigation, while others are on detail from government agencies such as the Federal Reserve and the Securities and Exchange Commission (SEC), which have themselves been the subjects of congressional investigations into their controversial actions during the financial crisis. It is particularly troubling that the FCIC's executive director is not an independent hire but rather an employee of the Federal Reserve. Finally, staff member Greg

Feldberg appears to be related to Chester B. "Chet" Feldberg, one of the three trustees charged with managing the taxpayers 80% stake in AIG.

Issa also expressed concern with the extensive ties of some of the senior staff at the bipartisan commission. Beneva Schulte, reportedly serving as Deputy Director at the FCIC, worked previously as Communications Director for Senator Chris Dodd's presidential campaign as well as for numerous Congressional Democrats. Susan Baltake, a spokeswoman and consultant at the FCIC, served as Chairman Angelides' campaign manager for five years, as well as Press Secretary to the California Democratic Party and worked for Angelides for 11 years in his property development company.

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